



DHAKA SUNDAY MARCH 16, 2008

Stocks

DGEN 1.28%
2,969.50

DSCY 0.07%
4,939.56
(Thursday closings)

Asian Markets

MUMBAI 2.63%
15,760.52

TOKYO 1.54%
12,241.60

SINGAPORE 1.20%
2,839.01

SHANGHAI 0.23%
3,962.67
(Friday closings)

Commodities

Gold \$994.05 (per ounce)

Oil \$110.21 (per barrel)

SOURCE: AFP

More News

Jul-Jan export 10pc up
Total export earning stood 10 per cent higher at \$7,727 million in the July-January period with garments accounting for 82.5 percent.

FBCCI polls debate
FBCCI presidential candidate Annisul Huq says effective apex body should stand for courage and vision, while the other candidate, MA Rouf Chowdhury, thinks it needs to take additional role of crisis manager. With only a day away, candidates for the FBCCI directorship are now busy with the last leg of electioneering to drum up voters' support.

International

Egyptian doctors protest outside their union headquarters in Cairo on March 15, 2008 to demand better pay amid national anger over skyrocketing food prices.

Thailand, Myanmar sign investment pact
Thailand and neighbouring Myanmar have signed an agreement to boost investment during a one-day official visit to the military-run country by the kingdom's premier, state media said Saturday.

Bangla Biz Lexicon

Bhori - a widely used unit to weigh gold in Bangladesh's jewellery stores. A bhori is equivalent to 11.664 grams.

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Processed spices market heats up

Big business houses battle to win market shares

SOHEL PARVEZ
The country's processed spices market is heating up as big business houses battle to win shares in the booming market, which is growing by around 15 percent a year.

A leading conglomerate ACME is set to enter the market by year-end and another business group, ACI, has already made its debut. Square, Pran and Bd Foods are other major players.

"The market is growing since consumers are showing reluctance to go for traditional systems of processing spices. Use of processed spices is increasing both in rural and urban areas," Mizanur Rahman Sinha, managing director of ACME, said.

Consumers' growing awareness about hygienic spices and busy urban life have led to rise in branded spices consumption.

The ACME will be the second entrant in the processed spices businesses this year. Earlier ACI Foods hit the market with its 'ACI Pure' brand in January.

Some companies also export spices to the Middle East, Europe and North America.

"We have already entered urban and semi urban areas with our products. A section of rural people are also showing interest in our spices," said Obaidul Haque, head of Marketing for Square Consumer Products Ltd that pioneered in processing spices



Processed spices of different brands. Use of processed spices is increasing both in rural and urban areas.

in Bangladesh.

Square, which entered the market with its Radhuni brand in 2001, now controls about 70 percent of about Tk 150-160 crore branded spices market, according to industry insiders.

"It's really a big market because our (Bangladeshi people) food habit is spices

dominated by non-branded ones," the Square official said.

According to stakeholders, the yearly market of both brand and non-brand spices is around Tk 4,000 crore with 2,52,000 metric tons of spices are consumed every year.

The domination of non-

branded spices, Obaidul said, will fall if new entrants come.

"We really welcome the new entrants. The market has not grown well. Any new entrant will help expand the overall branded spices market through campaign among consumers," he said.

Bishwajit Roy, business

manager of ACI Foods, also believed that entry of more companies will help expand the market.

"A market without competition is always bad. Entry of new players will improve quality as well as the size of the market," said Bishwajit.

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Gold, oil prices forge historic heights

AFP, London
Gold prices topped 1,000 dollars for the first time and oil futures rocketed to a record high 111 dollars this week as the dollar plunged to all-time lows against the euro.

Investors dived into commodities as they sought a haven amid fears of a US recession and global economic slowdown. Investment in gold and oil is also seen as a hedge against future rises in inflation.

Since the commodities are priced in dollars, a tumbling greenback makes gold and oil cheaper for buyers using stronger currencies, encouraging demand.

The euro struck a record-high 1.5688 dollars Friday after US investment giant Bear Stearns announced it was being bailed out because of liquidity problems and following weak US consumer confidence data, traders said.

OIL: Oil prices enjoyed another record-breaking run this week as traders sought refuge from turbulent stock markets and the dollar's downward plunge.

New York's light sweet crude jumped to a record high 111 dollars per barrel on Thursday. London's Brent oil hit an historic 108.02 dollars Friday.

"The dollar story, inflation concerns and fears of slower growth in the US are still dominating news headlines," said Sudeen analyst Andrey Kryuchenkov.

Oil has rocketed 90 percent over the past year as the market

is driven by tight supplies, geopolitical concerns in key producer nations and strong demand from China and India.

Prices have gained about nine percent in value since the start of 2008, accelerating after the OPEC crude exporters' cartel held output at current levels last week.

The Organisation of Petroleum Exporting Countries also on Friday left unchanged its estimate for growth in world oil demand this year.

OPEC said while high prices and mild winter weather would brake demand in major industrialised countries, the market for crude would be strong elsewhere.

GOLD: Gold prices soared to a record high 1,007.40 dollars per ounce on Friday as the dollar slumped to record lows versus the euro.

"The gold-favourable environment continues to evolve positively for the metal, with expectations of further Fed rate cuts and inflationary concerns boosting safe haven buying," said analysts at Barclays Capital.

Gold has risen by about 17 percent so far this year, underscored also by supply problems in South Africa, the world's largest producer.

Gold has been on an upward trend since the start of January when the yellow metal jumped above 850 dollars per ounce, smashing a 28-year-old record.

On the London Bullion Market, gold stood at 1,003.50 dollars per ounce at Friday's late fixing, up from 972.50

dollars a week earlier.

Silver jumped to 21.07 dollars per ounce from 20.22 dollars.

BASE METALS: Tin reached a fresh historic high of 20,700 dollars per tonne on supply disruptions and strong demand as the dollar weakened.

"New record highs on oil also gave the complex some strength," said BNP Paribas analyst David Thurtell.

"Mine costs will be pushed higher as the cost of running heavy equipment surges," he added.

By Friday, copper for delivery in three months eased to 8,490 dollars per tonne on the London Metal Exchange from 8,495 dollars a week earlier.

Three-month aluminium fell to 3,156 dollars per tonne from 3,198 dollars.

GRAINS AND SOYA: Wheat prices reached a record closing high of 12.82 dollars per bushel Wednesday in Chicago on tight supplies and strong demand.

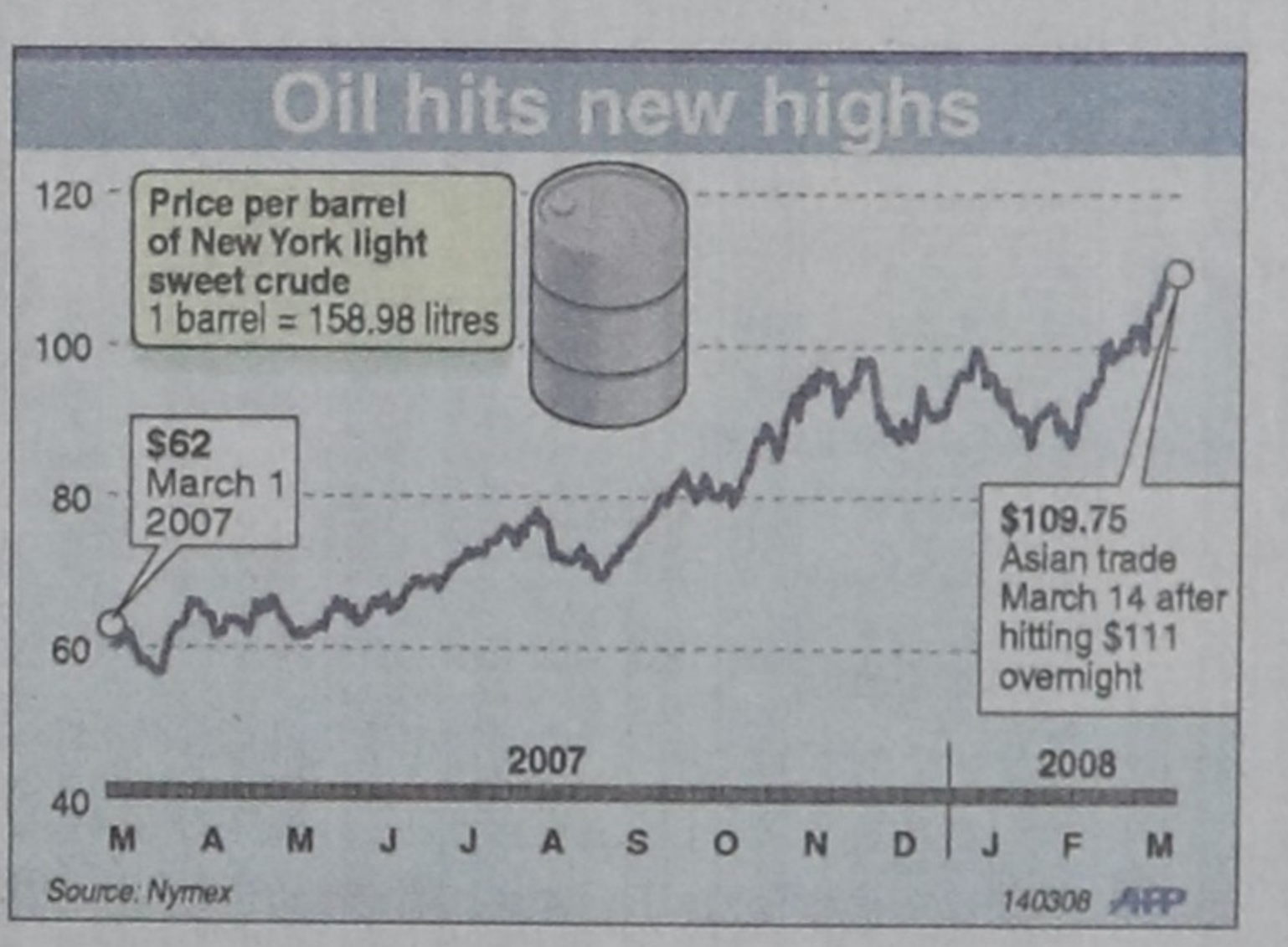
By Friday on the Chicago Board of Trade, wheat for May delivery had risen to 11.73 dollars per bushel from 11.05 dollars the previous week.

May-dated soybean meal - used in animal feed - fell to 13.55 dollars from 14.08 dollars.

The price of maize for May delivery gained to 5.55 dollars per bushel from 5.47 dollars a week earlier.

SUGAR: Sugar prices gained.

"The rally looks to have been sparked by further weakness in the dollar," noted analysts at Czarnikow.



An Indian jewellery craftsman works on a bangle at a jewellery manufacturing unit in Kolkata on March 15, 2008. Gold in overseas markets climbed to a record high of 1,005 dollar an ounce while in the domestic market of India standard gold and ornaments peaked at INR 13,200 (some US\$326) and INR 13,050 (some \$322) per ten gram, reports Press Trust of India.

Biman signs \$1.265b MoU with Boeing to buy 8 new aircraft

STAR BUSINESS REPORT
Biman Bangladesh Airlines Ltd yesterday signed a memorandum of understanding (MoU) with the US plane maker Boeing to buy 8 new-generation aircraft worth \$1.265 billion (equivalent to Tk 8,728 crore).

Biman's Managing Director (MD) Dr MA Momen and Regional Director of Boeing Glen A Green signed the MoU at Balaka, Biman's head office in Dhaka.

Sources in the Biman said the final agreement between Biman and Boeing will be signed by April 15.

This is for the first time Biman independently is buying aircraft directly from the manufacturing company,

lutionary decision, Mahub Jamil told reporters that this will pave the way to buy another four aircraft in coming years.

Geeta Pasi welcomed Biman's initiative to buy 8 aircraft, saying that now Biman will be able to meet the growing demand of the aviation market.

Biman has paid \$ 1.54 million to Boeing as booking fee for the purchase deal. The money is refundable in case Biman decides to back out of the deal.

Under the accord, the Boeing will not only deliver aircraft, but also provide technical and training supports for Biman's staff, route planning, upgradation of the airport

Under the accord, the first consignment of four Boeing 777-300ER planes, with 463-passenger capacity, will be delivered between July and December, 2013, while the four 394-seater Boeing 787-8s (yet to enter service) will be handed over in July-November, 2017.

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The price of four Boeing 777-300ER with General Electric engines will be about \$731 million, while the four Boeing 787-8s will cost about \$531 million.

Biman became a public limited company in July 2007.

Mahub Jamil, special assistant to the Chief Adviser for Civil Aviation and Tourism, Geeta Pasi, US charge d'Affaires, and members of Biman Board of Directors, were present among others at the MoU signing ceremony.

Terminating the signing of the MoU as a landmark and revo-

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preparation of a market-strategy for Biman.

The reconstituted Biman's board on March 9 in its marathon meeting decided to award the contract to Boeing, considering its offer 'more favourable' than its European rival Airbus.

Boeing will also provide necessary assistance so that Biman can take lease four Boeing aircraft to meet the aircraft shortages.

Of the four leased planes, the first consignment of two Boeing 777s will arrive next year and another two in 2010.

Biman currently owns three types of aircraft-four McDonnell Douglas DC10-30s, four Fokker F28s, and three Airbus A310-300s. Production of DC10-30s and F28s ended in the 1980s due to their lack of viability in service.

Of the total of 11 planes, only four or five are operating now, while the rest are grounded.

Another local shipbuilder signs deal with int'l buyer

STAR BUSINESS REPORT
Another Bangladesh shipbuilding company signed a memorandum of understanding yesterday with a Dutch firm to supply eight sea-going ships worth US\$87 million.

Highspeed Shipbuilding & Engineering Co Ltd signed the MoU with Hollander Scholtens (HS), Groningen to start construction of the ships from December this year.

Highspeed, specialised in building small riverine cargo and passenger vessels, will be the third company to build ships for foreign buyers.

Earlier, Ananda Shipyard and Western Marine Shipyard Ltd, entered the global shipbuilding market with US\$350 million orders from Denmark, Germany and Mozambique.

"Our cost of production is highly competitive compared to other foreign shipyards. So, foreign buyers are now placing orders in Bangladesh shipyards," KM Mahmood Ur Rahman, managing director of the company, said while signing agreement with representatives of Hollander Scholtens.

European shipbuilding companies are all booked with orders till 2010, while the Asian shipbuilders in Korea, Japan, China, Singapore, Malaysia and Vietnam have adequate export orders.

This vacuum has created great opportunity for the country's booming shipbuilding industry to grab a chunk of \$300 billion worth global export market.

Bangladesh has a competitive edge over its Asian rivals because its cheap and naturally expert workforce.

Highspeed Shipbuilding and Engineering expects it could complete building 9,000 tonnes capacity ships by April 2012.

The company will now have to upgrade its infrastructure and add modern facilities to its facility at Fatullah, Narayanganj in the next nine months before starting the shipbuilding.

The managing director expects the company will invest around Tk 1 billion for expanding its facility.